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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|---|---|---|---|
| 12/376,509 | 02/05/2009 | Perry L. Johnson | PJI0112PUSA | 7452 |

22045 7590 04/12/2017

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| EXAMINER |
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| SHANKER, JULIE MEYERS |

| ART UNIT | PAPER NUMBER |
|---|---|
| 3689 | |

| NOTIFICATION DATE | DELIVERY MODE |
|---|---|
| 04/12/2017 | ELECTRONIC |

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* PERRY L. JOHNSON

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Appeal 2015-003906[1]
Application 12/376,509[2]
Technology Center 3600

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Before NINA L. MEDLOCK, BRUCE T. WIEDER, and ALYSSA A. FINAMORE, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1, 3–8, 10–12, and 14. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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[1] Our decision references Appellant's Appeal Brief ("App. Br.," filed September 10, 2014) and Reply Brief ("Reply Br.," filed February 16, 2015), and the Examiner's Answer ("Ans.," mailed December 16, 2014) and Final Office Action ("Final Act.," mailed February 10, 2014).

[2] Appellant identifies Perry L. Johnson Registrars of Texas, L.P. as the real party in interest. App. Br. 2.

## CLAIMED INVENTION

Appellant's claimed invention "relates to a methodology that enables a business entity to achieve compliance with governance standards" (Spec. 1, ll. 10–11).

Claim 1, reproduced below, is the sole independent claim, and representative of the subject matter on appeal:

> 1. A method for evaluating and achieving compliance with industrial or governmental standards, the method comprising:
>
> receiving input defining a client's business operations procedures and a client's needs;
>
> reviewing applicable industrial or governmental standard particulars;
>
> evaluating the client's business operations procedures in view of the industrial or governmental standard particulars and the client's needs;
>
> generating output representing a deliverable component identifying revisions to client business practices to conform to the industrial or governmental standard particulars;
>
> presenting the deliverable component to the client;
>
> implementing a risk assessment policy for the client based on the findings of the deliverable component;
>
> providing risk management training to the client based on the findings of the deliverable component; and
>
> electronically tracking the implementation of the risk assessment policy.

## REJECTIONS

Claims 1, 3–8, 10–12, and 14 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1, 3–8, 10–12, and 14 are rejected under 35 U.S.C. § 103(a) as unpatentable over "Internal Control Documentation Maintenance and Support with Movaris Certainty," October 2004, available at

http://web.archive.org/web/20041011202040/www.movaris.com (hereinafter "Document A") and Benson et al. (US 2005/0065839 A1, pub. Mar. 24, 2005, hereinafter "Benson").

## ANALYSIS

### *Non-Statutory Subject Matter*

Appellant argues that the Examiner erred in rejecting claims 1, 3–8, 10–12, and 14 under 35 U.S.C. § 101 because the claims satisfy the transformation prong of the *Bilski*[3] machine-or-transformation test and, therefore, recite patent-eligible subject matter under § 101 (App. Br. 2–3 and Reply Br. 2). In this regard, Appellant argues that the transformation prong is satisfied because "[i]nput defining a client's business operations procedures and a client's needs is transformed to output representing a deliverable component identifying revisions to client business practices" (App. Br. 2–3).

We agree with the Examiner that the method steps of claim 1 do not transform an article or material to a different state or thing (Final Act. 5–6; *see also* Ans. 2–3). The transformation of client business operations procedures and needs to a deliverable component identifying revisions to client business practices is, at best, merely a manipulation of data, which is not sufficient to meet the transformation prong under 35 U.S.C. § 101. *Gottschalk v. Benson*, 409 U.S. 63, 71–72 (1972) (one may not patent a computer based algorithm that merely transforms data from one form to another).

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[3] *Bilski v. Kappos*, 130 S. Ct. 3218 (2010).

The Examiner further finds that the claims are directed to an abstract idea, i.e., to "a general concept of evaluating and/or implementing industry or government compliance standards," and that none of the method steps "viewed 'both individually and as an ordered combination,' transform[s] the nature of the claim[s] into patent-eligible subject matter" (Ans. 3 (citing *Alice Corp. Pty Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014)); *see also* Final Act. 6). The Examiner reasons that, if allowed, the claims would effectively grant a monopoly on the concept of compliancy evaluations and that the "steps of the method, as claimed, could be performed by any currently known or future manner of evaluating, or even done by human beings because a human user could perform the steps manually 'on' a computer or similar device" (Final Act. 6). Appellant does not provide any response to this line of reasoning in either the Appeal Brief or the Reply Brief.

We are not persuaded on the present record that the Examiner erred in rejecting claims 1, 3–8, 10–12, and 14 under 35 U.S.C. § 101. Therefore, we sustain the Examiner's rejection.

*Obviousness*

Appellant argues that the Examiner erred in rejecting independent claim 1 under 35 U.S.C. § 103(a) because the combination of Document A and Benson does not disclose or suggest "providing risk management training to the client based on the findings of the deliverable component," as recited in claim 1 (App. Br. 3–4). More particularly, Appellant asserts that a person of ordinary skill in the art would not have sought to modify the teachings of Document A with the teachings of Benson because a software package, as disclosed in Document A, could not be modified to provide

additional training, as called for in claim 1, inasmuch as the subject matter of the training would not have been known at the time the software package was manufactured (*id.*). Appellant concedes that some additional training module could have been incorporated into a software package, like that disclosed in Document A, but Appellant asserts that such associated training would necessarily be generic rather than based on the findings of the deliverable component "because the software package must first be used to determine the deliverable component" (*id.* at 4).

Appellant's argument is not persuasive at least because it is not commensurate with the scope of claim 1. As the Examiner observes, claim 1 merely recites "providing risk management training to the client based on the findings of the deliverable component;" the manner of training is not specified, and there is nothing in the claim language that limits the training to computerized training (Ans. 3–4). Appellant argues that to the extent a person skilled in the art would have thought a software package to be deficient, he or she would have sought to remedy the deficiencies through modification of the software package (Reply Br. 2). But Appellant does not adequately explain why, and we fail to see why, it would not have been obvious, if operational issues requiring additional training were uncovered, as disclosed in Document A, to provide in-person training, as disclosed in Benson, to address those issues.[4]

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[4] Document A, Part 3, "Movaris Certainty Drives Sarbanes-Oxley Compliance: Improve," discloses that "control testing may uncover operational issues in those organizations, such as a need for additional training or incomplete business processes" (*id.* at 1). Benson is directed to a method for evaluating the internal controls of a business entity for financial reporting and ensuring compliance of financial records with governmental

In view of the foregoing, we sustain the Examiner's rejection of independent claim 1 under 35 U.S.C. § 103(a). We also sustain the Examiner's rejection of dependent claims 3–8, 10–12, and 14, which are not argued separately.

DECISION

The Examiner's rejection of claims 1, 3–8, 10–12, and 14 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 1, 3–8, 10–12, and 14 under 35 U.S.C. § 103(a) is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

standards (*see, e.g.*, Benson, Abstract, ¶¶ 2–4). Benson discloses that "[a]n [internal audit] professional may provide training to an owning business unit and notify the business unit if the efficacy of a control fails to meet expectations to provide the business unit a basis to modify a control" (*id.* ¶ 64).